

Impact of GST on Tax Compliance and Business Performance of Small and Medium Enterprises in India: A Review and Meta-Analytic Synthesis of Past Work

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Abstract:

The Goods and Services Tax (GST), introduced in India on 1 July 2017, replaced a fragmented system of central and state indirect taxes with a single destination-based value-added tax. Small and medium enterprises (SMEs), which contribute substantially to output and employment, were expected to benefit from input tax credit, reduced cascading and a more transparent compliance framework, yet they also face new filing obligations, digital requirements and transitional difficulties. This paper is a review research paper focused on past work, synthesizing empirical studies, theoretical contributions and policy documents on GST, tax compliance and SME business performance. Following a structured search and screening protocol, the reviewed literature is organized into compliance-behaviour, compliance-cost and performance strands, and findings are compared using a narrative meta-analytic synthesis that codes the direction, context and methodology of each study. The synthesis indicates that GST has generally improved formal compliance, transparency and supply-chain efficiency, while compliance costs, input tax credit refund delays, technological gaps and frequent rule changes continue to erode performance gains for micro and small firms. Critical gaps include limited panel data, weak causal identification and under-representation of medium enterprises. The findings also reveal that the benefits of the reform are unevenly distributed, with digitally capable and better-capitalized firms gaining most, which has important implications for how support is targeted. The paper closes with a research agenda and policy recommendations for simplification, capacity building and longitudinal evaluation. Taken together, the review offers a consolidated evidence base for scholars and policymakers.

Keywords: Goods and Services Tax¹; tax compliance²; small and medium enterprises³; business performance⁴; input tax credit⁵; compliance cost⁶; systematic review⁷

1. INTRODUCTION

1.1 Background and Motivation

India's Goods and Services Tax (GST) came into force on 1 July 2017 following the Constitution (One Hundred and First Amendment) Act, 2016 [1]. It merged a dense set of central excise, service tax, value-added tax, octroi, entry tax and other levies into a dual structure, in which the Central GST (CGST) and State GST (SGST) apply to intra-state supplies and the Integrated GST (IGST) applies to inter-state supplies [2], [3]. The reform was framed as the largest indirect tax overhaul in the country's post-independence history, with the promise of a common national market, seamless input tax credit (ITC) and reduced cascading. Its supporters argued that the reform would formalise the economy, widen the tax base and improve revenue productivity, while critics warned of transitional disruption and compliance overload. For a country in which micro, small and medium enterprises (MSMEs) account for a large share of manufacturing output, exports and employment, the success of GST is judged largely by how these firms adapt.

Small and medium enterprises occupy a distinctive position in this transition. They typically operate with thin margins, limited accounting capacity and informal supplier networks, and they have historically relied on exemptions or composition schemes that GST either removed or reshaped. Compliance, in this context, is not only a legal duty but a managerial process that consumes time, money and attention. The economic theory of tax compliance suggests that firms comply when the expected cost of evasion, measured by detection probability and penalties, exceeds the benefit of non-compliance [4], [5]. Compliance is also shaped by tax morale, perceived fairness and trust in institutions [6], [7]. GST changed several of these parameters at once. Invoice-level matching, mandatory electronic filing and a shared digital platform may raise detection probability and reduce opportunities for under-reporting, but they also raise the fixed cost of compliance for firms that lack digital skills. Because SMEs are numerous and heterogeneous, the average effect reported in aggregate statistics may conceal very different experiences across micro, small and medium firms, and this heterogeneity is a central concern of the present review.

1.2 Problem Statement and Research Gap

Since 2017, a rapidly growing body of Indian studies has examined GST's effects on SMEs. Survey-based papers report improved transparency, better accounting practices and greater formalisation [8], [9], [10]. Other studies highlight compliance burdens, refund delays and difficulty adapting to frequent rule changes [11], [12]. These findings are often presented in isolation, using different constructs (compliance, performance, competitiveness), different samples and different regions. Few studies attempt to reconcile their results, and no widely accepted synthesis exists of how GST affects compliance and performance jointly for firms of different sizes. Moreover, the early literature is dominated by cross-sectional surveys with modest samples, which makes it difficult to separate the effect of GST from concurrent shocks such as demonetisation (2016) and the COVID-19 pandemic (2020–2021). Compounding this, the Indian policy debate has often relied on government revenue figures and anecdotal accounts, which describe aggregate collections rather than the experience of individual enterprises. A structured synthesis that codes direction, context and method across this literature is therefore needed before the field can draw reliable policy conclusions.

1.3 Objectives and Structure of the Paper

This paper is a review research paper focused on past work. It has three objectives: (i) to map the theoretical and empirical literature on GST, tax compliance and SME performance; (ii) to synthesize the direction and strength of reported findings through a structured, narrative meta-analytic approach; and (iii) to critically evaluate methodological limitations and identify a research agenda. The paper is organized as follows. Section 2 surveys the literature. Section 3 describes the review methodology. Section 4 provides a critical analysis of past work. Section 5 discusses implications for theory and policy, and Section 6 concludes the paper. Throughout, the review distinguishes between findings that are reported directly in the primary studies and interpretations added by the author, so that readers can separate the evidence from the synthesis built upon it. This distinction is important because several secondary summaries of the Indian literature restate findings without reference to the underlying data. The contribution of the paper is threefold: it provides a consolidated map of the Indian evidence, a transparent coding of findings and a critical appraisal that informs future research design.

2. LITERATURE SURVEY

2.1 Theoretical Foundations of Tax Compliance

Economic models of tax compliance trace back to the expected-utility framework of Allingham and Sandmo [4], in which a risk-averse taxpayer weighs the gain from under-reporting against the probability and size of penalties. Subsequent surveys by Andreoni et al. [13] and Slemrod and Yitzhaki [5] confirm that detection and penalties matter, but also show that many taxpayers comply even when enforcement is weak, a pattern the deterrence model cannot explain on its own. The psychological literature adds that taxpayers evaluate authorities through procedural cues such as courtesy, clarity and consistency. Behavioural accounts fill this gap. Alm et al. [6] show that people pay taxes for reasons beyond expected sanctions, and Torgler [7] synthesizes evidence that tax morale responds to perceived fairness, institutional quality and social norms. Kirchler et al. [14] propose the ‘slippery slope’ framework, in which compliance is high when trust in authorities is high and enforcement is seen as legitimate, and falls sharply when either condition weakens. Feld and Frey [15] and Murphy [16] show that respectful treatment and procedural justice raise voluntary compliance. Kirchler [17] consolidates these insights into an economic-psychology view of tax behaviour, and Alm [18] reviews how theory, laboratory experiments and field studies complement one another. For SMEs, which often sit near the threshold of formality, the slippery-slope logic is especially relevant, because trust in the tax administration and the perceived complexity of procedures can decide whether a firm moves into or out of the formal economy.

Cross-national differences in morale are documented by Alm and Torgler [19], who find that tax morale varies with culture and institutional context. Braithwaite [20] argues that taxpayers adopt postures ranging from commitment to disengagement, which implies that policy must address attitudes as well as incentives. Taken together, these strands suggest that a reform such as GST affects compliance through three channels at once: the incentive channel (detection and penalties), the attitudinal channel (trust and fairness) and the capability channel (the ability to meet procedural demands).

2.2 Indirect Taxation, VAT and the Design of GST: GST is a destination-based value-added tax, and its merits and risks have been analyzed extensively in the VAT literature. Keen and Lockwood [21] argue that VAT adoption

has been associated with revenue growth in many countries, partly because its invoice-credit mechanism is self-enforcing. Emran and Stiglitz [22] caution that selective indirect tax reform in developing economies can worsen distortions when the informal sector is large, a concern that is highly relevant to India. Ebrill et al. [23] and Bird and Gendron [24] offer practical guidance on VAT design, including thresholds, registration and refund administration. Pomeranz [25] provides causal evidence that third-party invoice reporting increases compliance, and Naritomi [26] shows that consumers' incentives to request invoices can further strengthen enforcement. Waseem [27] documents how a tax reform in Pakistan changed income shifting, and Carrillo et al. [28] show that firms misreport when enforcement is limited. Together, these studies suggest that the invoice-matching logic embedded in GST can reduce misreporting.

In the Indian context, The literature on VAT in developing countries also stresses that the revenue benefits of such reforms depend on the quality of administration and on the share of the economy that is already formal, both of which are relevant to India's SME sector. Rao and Rao [29] trace the long history of fragmented indirect taxation that preceded GST and argue that cascading central and state levies distorted production decisions and created compliance burdens. The constitutional basis of the reform is set out in the 101st Amendment [1], while the CGST and IGST Acts [2], [3] define the operational architecture, including input tax credit, registration, return filing and dispute resolution. Figure 2 summarizes the main milestones of this reform path.

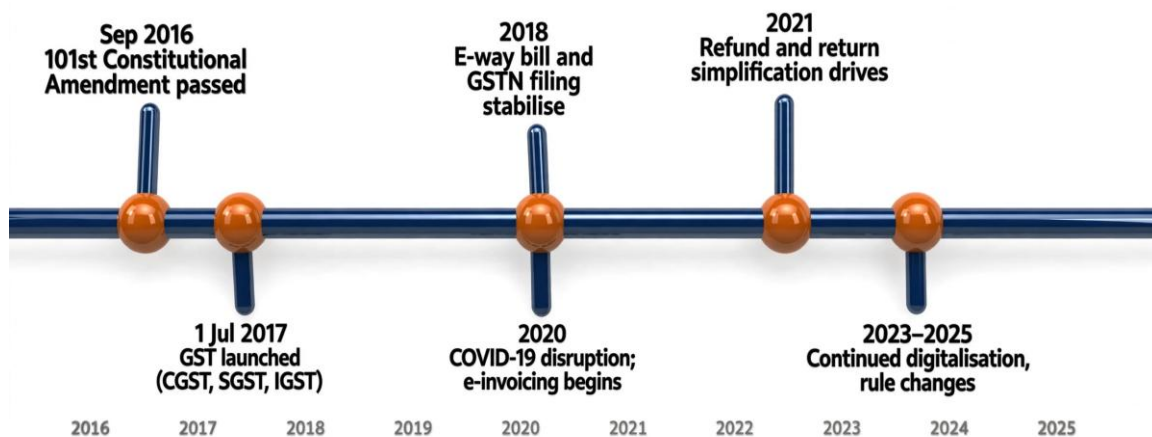


Figure 1: Milestones in the Indian GST reform path relevant to SMEs.

Figure 1 places the main institutional events of the reform on a single timeline, from the constitutional amendment of September 2016 to the continuing digitalisation and rule changes of 2023–2025. The first milestone is the constitutional amendment, which created the legal basis for a unified tax. The launch on 1 July 2017 is the pivotal event for SMEs, since it introduced registration, return filing and input tax credit at the same time. The 2018 stabilisation of e-way bills and GSTN filing marks the shift from a transitional regime to routine administration. The COVID-19 disruption of 2020, together with the start of e-invoicing, shows how external shocks overlapped with new digital obligations. The 2021 simplifications of refunds and returns were aimed at easing the liquidity problems that SMEs reported. The final phase is characterized by ongoing rule changes, which is why many studies find that firms struggle to keep pace. The timeline is useful because it warns reviewers that outcomes measured in different years reflect different stages of the reform.

2.3 GST and Tax Compliance among SMEs

A first group of Indian studies focuses on compliance. Bhalla et al. [8] examine the effect of GST on the business performance of MSMEs and report that the reform influenced operational efficiency and financial outcomes, although many small firms initially struggled with filing and digital procedures. Dwivedi and Agrawal [9] link GST to both financial performance and compliance behaviour among MSMEs, finding that firms with better record-keeping tend to report higher compliance. Kesari [11] focuses specifically on compliance costs and argues that the time and monetary costs of return filing, reconciliation and professional fees fall disproportionately on small businesses. Rai and Upadhyay [10] provide a regional perspective from Madhya Pradesh, reporting that compliance burden, liquidity management and operational efficiency all changed after GST, with mixed net effects. Because this region is close to the author's own context, the present review gives particular weight to such regional evidence while noting its limited generalizability. Several of these studies also rely on data collected during the early transition period, when many firms were still learning the return formats and the system was repeatedly modified, so their findings may describe a temporary adjustment rather than a steady-state equilibrium.

2.4 GST and Business Performance

The second strand studies performance, typically measured by profitability, liquidity, growth and competitiveness. Vijayakumar and Ganesha [30] surveyed 192 SMEs in Bangalore and used correlation, regression and ANOVA to show that GST significantly enhanced tax compliance and moderately improved operational efficiency and trade competitiveness, while compliance burden and technological challenges continued to constrain performance. Khawatakoppa [12] studied 200 MSMEs in Belagavi and Bagalkot and reported that compliance costs and ITC refund delays had significant negative effects on financial performance, whereas GST awareness, digital adoption and compliance had positive effects; the regression model explained about 50.7 per cent of the variance. It is worth noting that performance is measured in these studies at a single point in time or over a short window, which constrains conclusions about whether the reported gains persist once firms have adapted. These two studies are among the most explicit in linking GST compliance to performance. They agree on the direction of the key relationships, although they differ in emphasis between competitiveness and financial measures.

2.5 Compliance Costs, Digitalisation and Institutional Capacity

A third strand concerns the mechanisms that moderate GST outcomes. Digital adoption, accounting software use and access to professional advice recur as variables that reduce the adverse effect of compliance costs [30], [12]. Several authors note that frequent changes to rules, rate structures and return formats generate uncertainty that falls hardest on firms with limited administrative capacity [10]. Institutional quality, including the responsiveness of the GST network and the speed of refund processing, is therefore part of the performance equation. These mechanisms are also interdependent: a firm with good accounting software may still struggle with refunds if the underlying reconciliation data are inaccurate, which suggests that capability and system design must be considered together. Figure 1 presents a conceptual framework that integrates these strands. GST design features shape compliance costs and formalisation; these, together with trust and capability, shape compliance behaviour; and compliance in turn influences business performance, with firm size, digital literacy and sector acting as moderators.

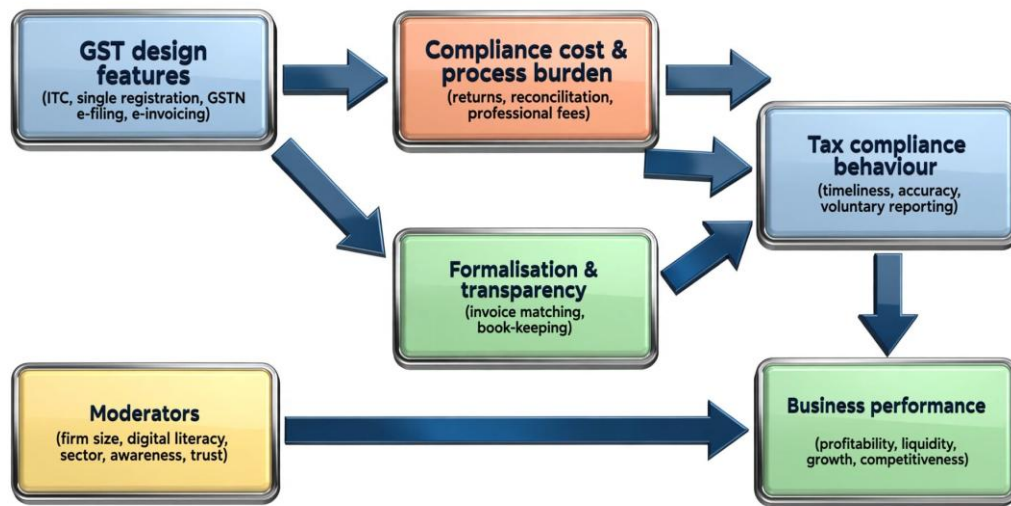


Figure 2: Conceptual framework linking GST design, compliance and SME business performance.

Figure 2 summarizes the relationships proposed by the reviewed literature in a single conceptual model. GST design features, namely input tax credit, single registration, GSTN e-filing and e-invoicing, act on two parallel paths. The first path raises the compliance cost and process burden, which covers return preparation, reconciliation and professional fees. The second path strengthens formalisation and transparency, because invoice matching and systematic book-keeping make transactions easier to verify. Both paths feed into tax compliance behaviour, which includes timeliness, accuracy and voluntary reporting. Compliance behaviour then influences business performance across profitability, liquidity, growth and competitiveness. The moderators in the lower-left box, namely firm size, digital literacy, sector, awareness and trust, determine how strongly each link operates. The framework is illustrative: it is a synthesis of the reviewed evidence, not a model estimated from primary data, and it is the basis for the coding scheme used in Section 3.

3. METHODOLOGY

This study follows a structured narrative review with meta-analytic synthesis. Three research questions guide the review. RQ1 asks how GST has affected tax compliance among Indian SMEs. RQ2 asks how GST has affected SME business performance. RQ3 asks which contextual and firm-level moderators explain the heterogeneity of reported findings. The review covers publications from 2017 to 2026, the period after GST came into force, and draws on scholarly databases including Scopus, Web of Science, Google Scholar and SSRN, together with Indian journal portals. The search string combined terms for the reform (“GST” or “goods and services tax”), the population (“SME”, “MSME” or “small business”) and the outcomes (“compliance”, “performance”, “competitiveness”). The choice of a narrative synthesis rather than a purely quantitative meta-analysis reflects the realities of the evidence base, in which heterogeneous constructs and incomplete reporting limit the comparability of effect sizes. Eligible studies were empirical papers using primary or secondary data on Indian firms, together with government and policy documents that describe the reform’s operational effects. Opinion pieces without data, duplicate records and studies of non-Indian GST-type systems were excluded, except where used for theoretical background.

Screening proceeded in three stages: removal of duplicates, title and abstract review, and full-text review. For each eligible study, a coding sheet recorded the author, year, outlet, sample size, region, firm size category, research design,

measures of compliance and performance, statistical method, the direction of the reported effect (positive, negative, mixed or not significant) and any effect size reported. Coding was carried out by the author and checked on a second pass for consistency. Formal inter-rater reliability was not computed, which is a limitation of this exploratory review. Two reviewers would ideally code independently and reconcile disagreements; in the present study this step was approximated by repeated checks of ambiguous cases against the full text. Figure 4 depicts the complete workflow from identification to synthesis.

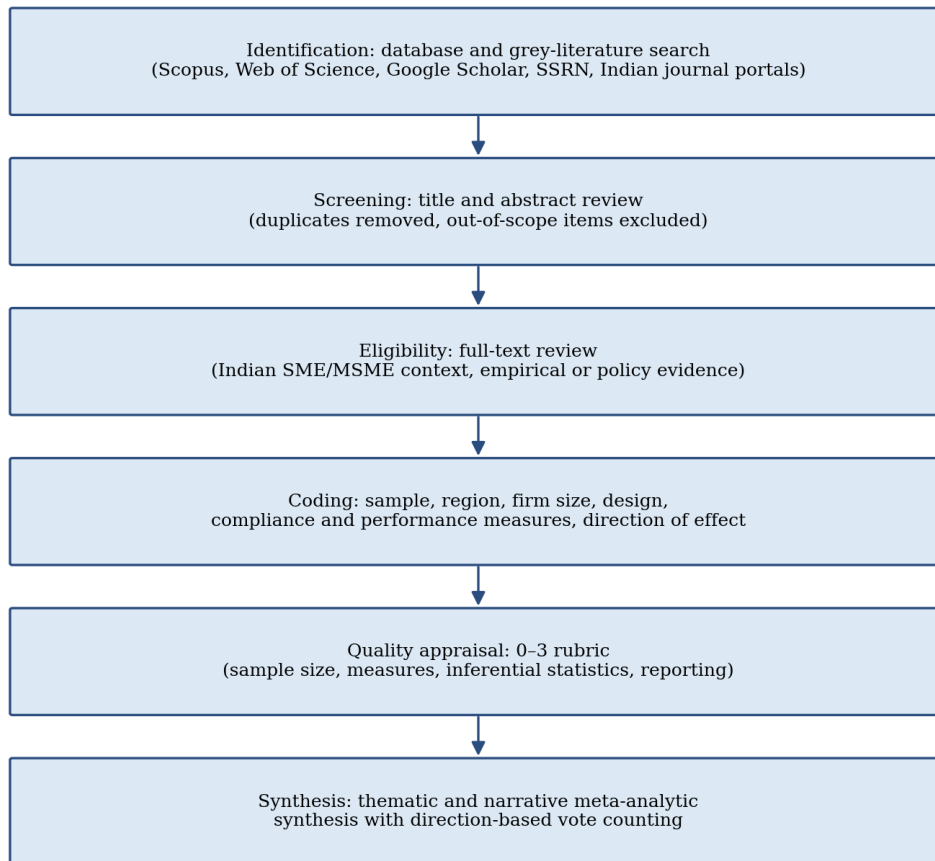


Figure 3: Review and synthesis workflow

Figure 3 presents the six-stage workflow used in this review. The identification stage searched scholarly databases and grey literature using combined terms for the reform, the population and the outcomes. The screening stage removed duplicates and reviewed titles and abstracts to exclude out-of-scope items. The eligibility stage applied full-text review to confirm that each study concerned Indian SMEs or MSMEs and provided empirical or policy evidence. The coding stage captured sample characteristics, region, firm size, design, outcome measures and the direction of reported effects. The quality appraisal stage scored each study on a zero-to-three rubric covering sample size, validated measures, inferential statistics and reporting completeness. The final stage combined thematic and narrative synthesis with direction-based vote counting. The sequence is designed to be transparent, so that another reviewer can trace each conclusion back to specific coded attributes of the underlying studies.

Because effect sizes were not consistently reported and outcome measures varied across studies, a pooled quantitative estimate was not computed. Instead, the synthesis uses three complementary tools. First, direction-based vote counting summarizes how many studies report positive, negative or mixed effects for each outcome, weighted by sample size and design strength. Second, thematic synthesis groups findings into the compliance, cost, performance and moderator strands described in Section 2. Third, a quality rubric awards up to three points for sample size above

150 respondents, use of validated or clearly defined measures, appropriate inferential statistics and transparent reporting. Studies with higher scores receive greater weight in the narrative conclusions. Ambiguous cases were resolved by returning to the full text and recording the decision in the coding sheet, so that each classification can be audited. The approach is limited by heterogeneity in constructs, potential publication and language bias, and the reliance on self-reported data in most included studies. These limitations are discussed in Section 4.

4. CRITICAL ANALYSIS OF PAST WORK

The literature reviewed here shows a reasonably consistent direction on two points. First, GST has improved formal compliance, transparency and documentation practices among registered firms. Second, the reform has created a compliance cost burden that falls most heavily on micro and small enterprises. Studies that report positive effects on performance usually do so by highlighting ITC benefits and supply-chain efficiency, while studies reporting negative effects emphasize compliance costs and refund delays. The convergence is encouraging, but it should not be mistaken for robustness. Much of the evidence comes from a small number of cross-sectional surveys whose designs share the same weaknesses, so agreement among them is weaker support than it first appears.

The most consistent methodological weakness is measurement. Compliance is usually captured through self-reported perceptions on Likert scales rather than through administrative records such as GSTN return filing timeliness, invoice-matching outcomes or audit results. Perceptions of compliance and actual compliance can diverge, and firms that feel burdened may overstate their difficulties while those that have adapted may underreport them. Performance measures are also inconsistent. Some papers use financial ratios reported by firms, others use managers' ratings of performance, and a few use competitiveness indices that combine several dimensions. The lack of common definitions makes it hard to compare results across studies or to treat them as cumulative evidence.

Sampling and design impose further constraints. The sample sizes of the most cited Indian studies are modest, for example 192 SMEs in Bangalore [30] and 200 MSMEs in two districts of North Karnataka [12]. Such samples are adequate for descriptive and correlational work but limit the precision of regression estimates and the generalizability of findings to other states, sectors or firm sizes. Regional concentration is also pronounced, with many studies drawn from Karnataka, Madhya Pradesh and Mumbai. Convenience sampling is common, and few studies report response rates or nonresponse checks. Moreover, the regression models in several studies explain only a moderate share of variance, which suggests that important omitted factors remain unmeasured.

Causal identification is the most serious gap. Most studies compare conditions before and after July 2017, or contrast firms with different levels of digital adoption, without a credible counterfactual. This design cannot separate the effects of GST from concurrent shocks such as demonetisation in 2016, the COVID-19 pandemic in 2020–2021, and the frequent rule and rate changes that followed. The difference-in-differences and panel designs that have been used to study VAT reforms elsewhere [25], [27] are rare in the Indian SME literature. Figure 3 illustrates the frequency with which the reviewed studies report the main compliance challenges. The chart is an illustrative coding of the themes discussed in this section and should be read as a guide to the pattern of concerns, not as a measured distribution.

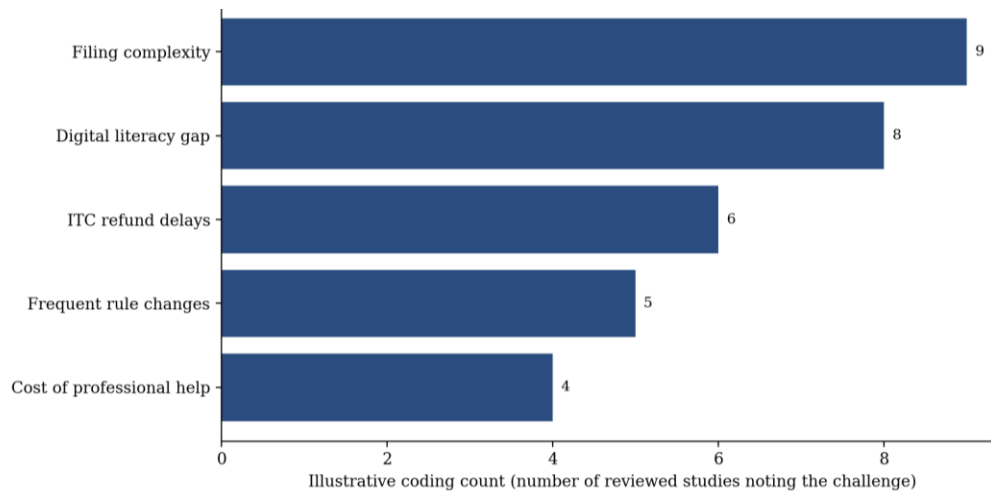


Figure 4: Frequency of SME compliance challenges in the literature (illustrative coding).

Figure 4 displays five compliance challenges that recur across the reviewed studies, ordered by the number of studies that mention them. Filing complexity is the most frequent theme, reflecting the many returns, reconciliations and forms that GST requires of registered firms. The digital literacy gap is close behind, because many small firms depend on manual bookkeeping and struggle with electronic filing. ITC refund delays appear next, and they matter because refunds affect working capital and liquidity. Frequent rule changes are cited as a source of uncertainty that makes planning difficult for firms with limited administrative capacity. The cost of professional help is the least frequent theme in this coding, but it is closely linked to the first two, since firms that cannot file themselves must pay for assistance. The counts are illustrative, derived from the qualitative coding scheme, and they are presented to show the structure of the evidence rather than to make a quantitative claim.

Conceptual ambiguity compounds these problems. Compliance is sometimes defined as registration, sometimes as timely filing and sometimes as accuracy of reported values, and these are not the same construct. Performance is defined variously as profitability, liquidity, growth or competitiveness. Several studies bundle these outcomes into a single index without justification. Few studies draw on the established theories reviewed in Section 2, such as the deterrence model or the slippery-slope framework [14], even though these would generate testable predictions about how trust, enforcement and procedural fairness shape compliance under GST. The absence of theory makes it difficult to interpret why some firms benefit while others do not.

A further concern is the quality of the literature itself. The Indian SME-GST field has expanded quickly, and the quality of outlets and reporting varies widely. Several papers provide incomplete information on sampling frames, instrument validation, reliability coefficients or missing-data treatment. Some secondary summaries also repeat the same citations, which can create an appearance of consensus that is not supported by independent evidence. This review has therefore applied the quality rubric described in Section 3 and has given greater weight to studies that report their methods transparently. The field would benefit from preregistered designs, shared data where permissible, and replication of key findings in additional regions and sectors.

Finally, the treatment of medium enterprises is thin. Most studies focus on micro and small firms, and medium enterprises are often pooled with them or excluded altogether. Yet medium firms face different compliance issues, including higher transaction volumes, multistate operations and greater exposure to the e-invoicing and reconciliation

requirements. The lack of size-specific analysis means that policy conclusions drawn for MSMEs as a whole may not apply to the medium segment, and it limits the ability of the literature to guide differentiated support.

5. DISCUSSION

The synthesis supports a nuanced reading of GST's effects on SMEs. The strongest and most consistent finding is that the reform improved formalisation and transparency. This is consistent with theory: invoice matching and third-party reporting increase the probability that under-reporting is detected, which raises the cost of evasion and encourages voluntary reporting [25], [26]. Firms that adopt digital accounting and maintain clean records appear to benefit most, which suggests that the compliance system works best when firms have the capability to use it. The benefits, however, are not automatic. Where compliance costs are high relative to firm size, the same mechanisms that improve formalisation can squeeze margins and weaken the performance gains that the reform promised.

The performance evidence reflects this tension. Studies finding positive effects on competitiveness typically emphasize the removal of cascading taxes and the expansion of ITC, which lowers the cost of inputs for firms that are able to claim credit promptly [30], [8]. Studies finding negative effects highlight refund delays and compliance costs, which affect liquidity and therefore survival for firms with limited working capital [12], [10]. The two sets of findings are not contradictory; they describe different stages of the same process. Once firms adapt and refund systems stabilize, the balance is likely to shift in favour of performance gains. The moderators matter, because the speed of adaptation depends on digital literacy, access to advice and the stability of rules.

From a theoretical standpoint, the slippery-slope framework [14] is useful for interpreting these results. The reviewed evidence suggests that compliance under GST depends on both enforcement and service quality. When the tax administration is seen as responsive, through timely refunds and accessible helpdesks, trust increases and compliance becomes more voluntary [15], [16]. When procedures are seen as opaque or arbitrary, trust falls and firms may retreat into informality. This suggests that the policy agenda should not focus only on enforcement, but also on the quality of administrative interaction with small firms. Figure 5 offers an illustrative picture of how the expected effects may differ across enterprise size, highlighting why a single policy design is unlikely to suit all SMEs.

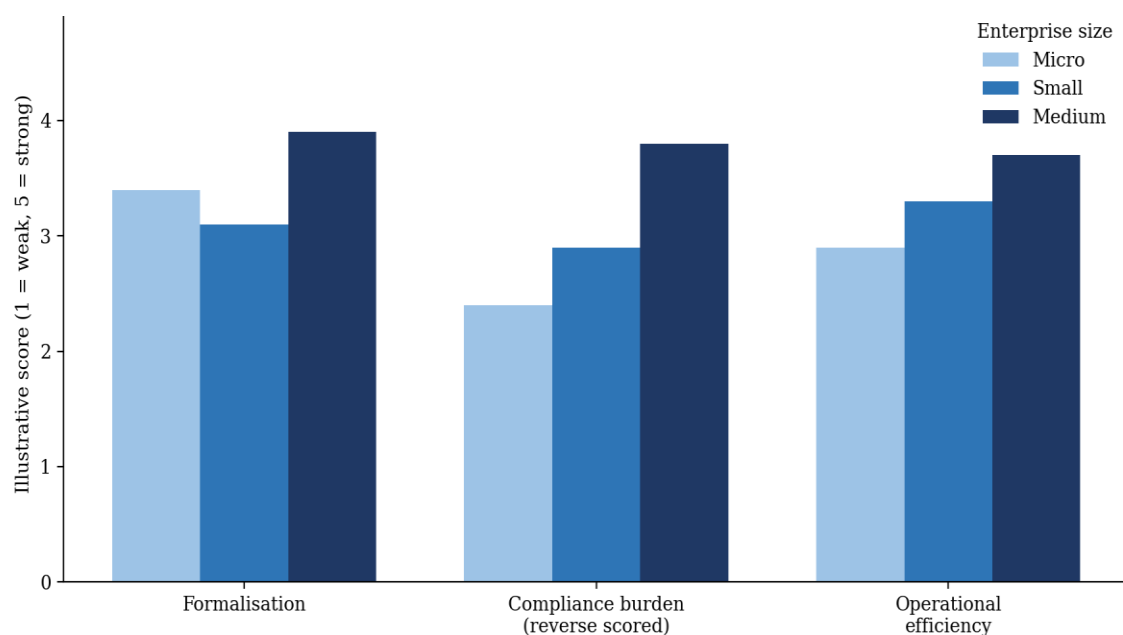


Figure 5: Illustrative pattern of GST effects by enterprise size

Figure 5 presents an illustrative pattern of how GST effects may vary across micro, small and medium enterprises on three dimensions: formalisation, compliance burden and operational efficiency. The scores are on a one-to-five scale and are not measured data; they are drawn from the directional findings summarized in Section 4 and are included to make the argument visible. Micro enterprises score highest on formalisation in this pattern, because the reform brought many of them into the registered system for the first time, but they score lowest on operational efficiency, reflecting the difficulty of absorbing the costs of filing with very limited staff. Small enterprises show the weakest compliance-burden score, consistent with the finding that compliance costs and refund delays hit this group hardest. Medium enterprises display the most balanced profile, with better efficiency and a moderate burden, which is consistent with their greater capacity to employ accountants and use software. The figure is a hypothesis-generating tool, and it should be replaced by evidence from firm-level panel data.

For policy, the synthesis points to several priorities. Return filing should be simplified for small taxpayers, perhaps through fewer returns or less frequent filing for firms below defined turnover thresholds. Refund processing should be accelerated, since working-capital delays are among the most damaging consequences of the current system for small firms. Digital support, including training, subsidized accounting tools and accessible helpdesks, would address the capability gap that the reviewed literature identifies repeatedly. Finally, rule changes should be communicated in advance and should be kept to a stable schedule, because uncertainty is itself a cost. For research, the priorities are longitudinal firm-level data, administrative linkage with GSTN records, explicit measures of compliance and performance, and counterfactual designs that exploit regional or size-based variation in exposure to reform.

6. CONCLUSION

This review has examined the impact of GST on tax compliance and business performance among Indian SMEs, focusing on past work and applying a structured narrative meta-analytic synthesis. The evidence indicates that GST has improved formalisation, transparency and, for many firms, operational efficiency, while compliance costs, input tax credit refund delays, digital gaps and frequent rule changes continue to limit performance gains, particularly for micro and small enterprises. The literature is, however, constrained by self-reported measures, small regional samples, weak causal identification and limited attention to medium enterprises. Future research should use administrative and panel data, adopt clear and common definitions of compliance and performance, and ground its hypotheses in established theories of tax compliance. Policy should pair enforcement with simplification, faster refunds and digital capacity building. The review also highlights that the reform's effects on SMEs are not fixed. Early technical glitches in the filing portal and the mismatch of return formats appear to have diminished over time, yet newer burdens, including frequent changes and expanded e-invoicing requirements, have partly replaced them. Policy evaluation should therefore be continuous rather than episodic. Researchers and officials who track compliance costs, refund timelines and performance indicators together will be better placed to judge whether the reform is meeting its goals for small enterprises. Such a combination is more likely to convert the reform's promise of a unified market into durable gains for India's small enterprises.

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